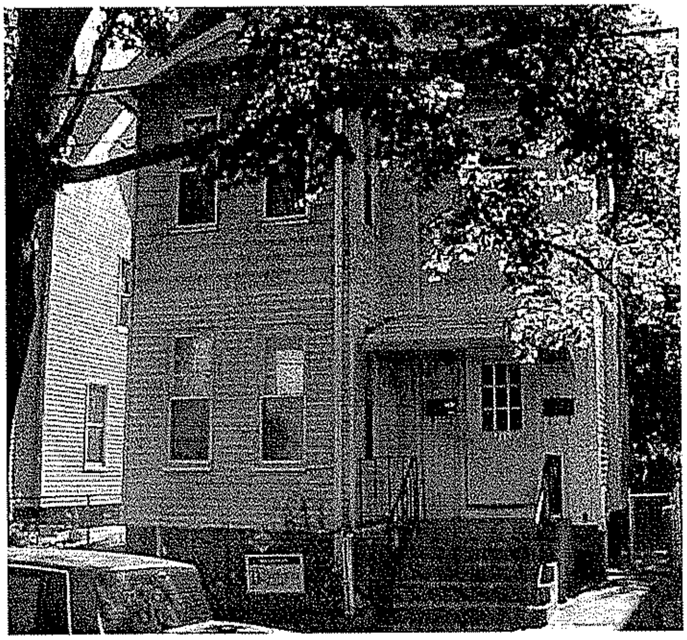
Case Studies of Three Connecticut Houses



Before tenants evicted

After tenants evicted

Case Studies of Three Connecticut Houses[1]

House 1

Location:	New Haven	*Value at Foreclosure, Before Eviction:*	$160,000[2]
Size:	4-family house	*Value Upon Sale, 17 months later:*	*$16,000*

What Happened: Deutsche Bank foreclosed on the house in approximately August 2007, and the real estate agent's initial appraisal of the property was $160,000 for a 90-120 day sale or $155,000 for a quick sale. There were 4 tenants on the property, and no attempt was made by the bank to offer them leases or accept their rent. Through "cash for keys" offers and evictions, the 4 families were removed from the premises; and despite the premises being secured, the building was broken into and vandalized within days of being vacated. Everything of value was stripped—from copper pipes to aluminum siding. The

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[1] Most of the information in this document was provided to us by a real estate agent who asked that we not use his/her name. The agent reported having 100 more cases like these, in communities throughout the state of Connecticut. Other information was obtained from public records.

[2] The property was listed for sale for $229,000 in May 2007 and had previously sold for $168,000 in August 2004, but the first appraisal after foreclosure was $160,000.

property finally sold for $16,000 in December 2008. Pictures of the outside of the house before and after the damage, and the inside and outside of the house after the damage, are attached.

House 2

Location: Derby *Value at Foreclosure, Before Eviction:*
$269,000[3]
Size: 2-family house *Value Upon Sale, 6 months later:*
$111,500

What Happened: A bank foreclosed on the house in approximately September 2007. No exact appraisal was performed at that time, but the house had been listed for $269,000 a year earlier and the real estate agent's ranged estimates were consistent with that price. The first floor was occupied by a couple who kept their apartment very clean, but they left immediately when they received an eviction notice. The second floor was occupied by the elderly mother of a town police officer; she had been living there for 42 years. When she was evicted sometime in late 2007, she turned off her utility service, and the pipes in the house froze and burst. The real estate agent visited the property in early January 2008 and saw water coming out of the property. The agent obtained an estimate of $25,000 for the cost of cleaning up the water damage alone, and while the bank refused to pay that, it spent $1,200 removing water damaged carpets and other items. In February 2008, the property was listed for sale for $115,000. In late March 2008, the property sold for $111,500.

House 3:

Location: New Haven *Value at Foreclosure, Before Eviction:*
$199,000
Size: 3-family house *Value Upon Sale, 11 months later:*
$93,000

What Happened: Deutsche Bank foreclosed on the house in October 2007, and the real estate agent appraised the house at $199,000 for a 90-120 day sale or $175,000 for a quick sale. There were 12 people living in the 3 apartments. The tenants were evicted in April 2008, and they were never offered a chance to pay rent. In June 2008, the real estate agent appraised the house again and found that the house had been ransacked by vandals. Windows had been smashed, baseboards had been stripped, and there were many holes in the walls. Copper pipes, toilets, and everything else of value had been stolen. The real estate agent then appraised the property at $125,000 for a 90-120 day sale or $110,000 for a quick sale. In July 2008, the bank listed the property for $94,900 and ultimately sold it for $93,000 in September 2008.

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[3] The real estate agent did not do an exact appraisal at the time of foreclosure because the bank did not request one. However, the agent used two other methods at that time that yielded ranges of $150,000-$289,000 and $169,000-$325,000; and the house was listed for sale at $269,000 in 2006.